

**61.560 Employee's contribution -- Rate -- Picked-up employee contributions.**

- (1) Each employee shall, commencing on August 1, 1986, contribute for each pay period for which he receives compensation five percent (5%) of his creditable compensation, unless he did not elect membership pursuant to KRS 61.545(3), and except that members of the General Assembly, who elect the survivorship option provided in KRS 61.635(13), shall each contribute six and six-tenths percent (6.6%) of creditable compensation commencing with the payroll period immediately following his election of the option. Any other provisions of KRS 61.515 to 61.705 notwithstanding, any reemployed retiree, as described in KRS 61.637, shall contribute five percent (5%) of his creditable compensation, or the amount required by KRS 61.592(3) if applicable, if he anticipates that he will receive more than the maximum permissible earnings, as provided by the Federal Social Security Act, in compensation as a result of reemployment during the calendar year.
- (2) Each employer shall cause to be deducted from the creditable compensation of each employee for each and every payroll period the contribution payable by each such employee as provided in KRS 61.515 to 61.705.
- (3) The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any employee shall be reduced thereby. Every employee shall be deemed to consent and agree to the deductions made as provided herein; and payment of salary or compensation less such deductions shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 61.515 to 61.705.
- (4) Each employer shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employee contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(10). These contributions shall not be included as gross income of the employee until such time as the contributions are distributed or made available to the employee. The picked-up employee contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982, by the employee contribution, and the picked-up employee contribution shall be in lieu of an employee contribution. Each employer shall pay these picked-up employee contributions from the same source of funds which is used to pay earnings to the employee. The employee shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employee contributions picked up after August 1, 1982, shall be treated for all purposes of KRS 61.515 to 61.705 in the same manner and to the same extent as employee contributions made prior to August 1, 1982.

**Effective:** July 13, 1990

**History:** Amended 1990 Ky. Acts ch. 222, sec. 4, effective July 13, 1990; and ch. 476, Pt. VII, sec. 643, effective April 11, 1990. -- Amended 1986 Ky. Acts ch. 90, sec. 12, effective July 15, 1986; and ch. 293, sec. 4, effective July 15, 1986. -- Amended 1982 Ky. Acts ch. 166, sec. 1, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 97, sec. 2, effective July 15, 1980; and ch. 186, sec. 8,

effective July 15, 1980. -- Amended 1976 Ky. Acts ch. 321, sec. 40. -- Amended 1972 Ky. Acts ch. 116, sec. 33. -- Amended 1966 Ky. Acts ch. 35, sec. 5. -- Amended 1962 Ky. Acts ch. 58, sec. 6. -- Amended 1960 Ky. Acts ch. 165, Part II, sec. 6. -- Amended 1958 Ky. Acts ch. 113, sec. 2. -- Created 1956 Ky. Acts ch. 110, sec. 11.

**Legislative Research Commission Note** (6/27/2008). A reference in subsection (1) of this statute to "subsections (13) and (14) of KRS 61.635" has been changed by the Reviser of Statutes to read "KRS 61.635(13)." 2008 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 19, deleted KRS 61.635(13) and renumbered the subsequent subsections, but did not make the necessary change to the reference in this statute. This oversight has been corrected under the authority of KRS 7.136(1).

**Legislative Research Commission Note** (7/13/90). This section was amended by two 1990 Acts which do not appear to be in conflict and have been compiled together.